



General Assembly

January Session, 2015

Raised Bill No. 6803

LCO No. 3354



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING MORTGAGE FUNDING REQUIREMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-758 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 Any person who makes any first mortgage loan, as defined in
4 section 36a-485, or any secondary mortgage loan, as defined in section
5 36a-485, shall, at the time of consummation of such loan or at the
6 termination of any right to rescind the loan transaction under 12 CFR
7 1026, as amended from time to time, whichever is [later] applicable,
8 pay the loan proceeds to the mortgagor, to the mortgagor's attorney [,
9 to the mortgagee's attorney] or to any other person specified in any
10 settlement statement, any written agreement between the mortgagor
11 and the mortgagee or any written instruction of the mortgagor, by a
12 certified, bank treasurer's or cashier's check or by means of wire
13 transfer. Nothing in this section precludes payment of the loan
14 proceeds to the mortgagee's attorney, provided the mortgagee shall be
15 in violation of this section if the mortgagee's attorney fails to pay the
16 proceeds to the mortgagor, the mortgagor's attorney or to any other

17 person specified in any settlement agreement, any written agreement
18 between the mortgagor and the mortgagee or any written instruction
19 of the mortgagor, at consummation or at the termination of any right
20 to rescind the loan transaction under 12 CFR 1026, as amended from
21 time to time, whichever is applicable.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	36a-758
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Statement of Purpose:

To clarify that a mortgagee is responsible for payment of the loan proceeds at consummation of such loan or at the termination of any right of rescission, and that payment to the mortgagee's attorney, while permissible, does not discharge this obligation.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]